

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2313

ANSWERED ON:31.07.2017

Demand of Petroleum Products

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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the demand of petroleum products is expected to rise while the scope for increasing domestic production is limited and if so, the details thereof;
- (b) whether price of imported petroleum products is lower than the domestic petroleum products and if so, the details of price difference between the imported and domestic products during the last three years;
- (c) whether the Government has any proposal to unveil Enhanced Oil Recovery Scheme and if so, the details thereof along with the salient features of the same;
- (d) whether domestic production is also supplemented by oil and gas assets acquired abroad and has helped to reduce import of crude oil and if so, the details thereof;
- (e) whether the Government proposes to reduce oil import from Iran and if so, the details thereof; and
- (f) whether Iran proposes to reduce the payment window to 60 days and if so, the reason behind such contention and the reply from ONGC Videsh Limited in this regard along with the action taken/being taken by the Government with their Iranian counterpart to conclude the attrition thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a): As per the Report of the Committee on roadmap to reduce import dependency in energy by 10% by 2021-22, the projected demand for petroleum products for the year 2021-22 is 226 Million Metric Tonnes (MMT). Oil PSUs, namely, Indian Oil Corporation Ltd., Bharat Petroleum Corporation Ltd. and Hindustan Petroleum Corporation Ltd. have decided to set up an integrated refinery-cum- petrochemical complex with a refining capacity of 60 MMTPA at Babulwadi, Taluka Rajapur in Ratnagiri District. In addition, Oil PSUs have also planned to increase the refining capacity in the country by 35 MMTPA (approx.) in next few years to meet the domestic demand of petroleum products.

(b) : Prices of petroleum products, except Subsidized Domestic LPG and PDS Kerosene, have been made market determined. Accordingly, Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of petroleum products in line with international product prices and other market conditions. The Government continues to modulate the Retail Selling Price of PDS Kerosene and effective cost to consumer for Subsidized Domestic LPG.

(c): Enhanced Oil Recovery (EOR) is the implementation of various techniques for increasing the amount of crude oil that can be extracted from matured oil fields. Directorate General of Hydrocarbons (DGH) has organized a workshop for conducting preliminary discussion/interactions with major stakeholders for their application in Indian oil fields.

(d): The acquisition of oil & gas assets overseas has led to boosting India's energy security. Indian oil & gas PSUs own over 25 MMT of oil equivalent.

(e) & (f): Oil PSUs have been authorised to formulate policies for import of crude oil in their best commercial and operational interest. Accordingly, Oil PSUs import crude oil as per commercial and operational considerations. In their strategy for import of crude oil in 2017-18, Oil PSUs have reduced import of Iranian crude oil in comparison to 2016-17. Free credit period for imports from Iran for the current financial year is 60 days. OVL, being an upstream company, does not deal in imports of crude oil.
